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THE
GENERAL INTRODUCTION
AND
SUPPLEMENT
TO

The TWO TRACTS ON CIVIL LIBERTY,
the WAR with AMERICA, and the
FINANCES of the KINGDOM.

By RICHARD PRICE, D.D. F.R.S.

THE SECOND EDITION.

L O N D O N.

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GENERAL INTRODUCTION.

THE first of the following tracts was published in the beginning of the year 1776; and the second in the beginning of last year. They are now offered to the public in one volume, with corrections and additions. All the calculations, in the *Appendix* to the first tract, have been transferred to the *second* and *fourth* sections, in the third part of the second tract.

The section on PUBLIC LOANS, in the second tract, has been revised with care; and a *supplement* to it, containing additional proposals and some necessary explanations, has been given at the end of the whole.—This is a subject to which I have applied (perhaps too unprofitably) much of my attention. I have now done with it; and the whole is referred to the candid examination of those who may be better informed, hoping for their indulgence should they find that, in any instance, I have been mistaken. I have not meant, in any thing I have said on this subject, to censure any persons. That accumulation of artificial debt which I have pointed out, and by which the danger of the kingdom from its growing burdens

has been so needlessly increased, has, I doubt not, been the effect of inattention in our ministers; and the scheme, by which the loan of last year has been procured, gives reason to hope that better plans of borrowing will be adopted for the future.

The principal design of the first part of the second tract was (as I have observed in the introduction to it) to remove the misapprehensions of my sentiments on CIVIL LIBERTY AND GOVERNMENT into which some had fallen. It gives me concern to find that it has not answered that end in the degree I wished. I am still charged with maintaining opinions which tend to subvert all civil authority. I paid little regard to this charge, while it was confined to the advocates for the principles which have produced the present war; but as it seems lately to have been given the public from the authority of a writer of the first character, (a) it is impossible I should not be impressed by it; and I find myself under a necessity of taking farther notice of it.

There are two accounts, directly opposite to one another, which have been given of the origin of civil government. One of them is, that "civil government is an expedient contrived by

(a) See Mr. *Burke's* Letter to the Sheriffs of *Bristol*, page 53, 54.

“ human prudence for gaining security against
 “ oppression ; and that, consequently, the power
 “ of civil governōrs is a delegation or trust from
 “ the people for accomplishing this end.”

The other account is, that “ civil government
 “ is an ordinance of the Deity, by which the
 “ body of mankind are given up to the will of a
 “ few ; and, consequently, that it is a trust from
 “ the Deity, in the exercise of which civil go-
 “ vernors are accountable only to him.”

The question “ which of these accounts we ought
 “ to receive,” is important in the highest degree.
 There is no question which more deeply affects
 the happiness and dignity of man as a citizen
 of this world. — If the former account is
 right, the people (that is, the body of inde-
 pendent agents in every community) are their
 own legislators. All civil authority is properly
their authority. Civil governors are only public
servants ; and their power, being *delegated*, is by
 its nature *limited*. — On the contrary. If the lat-
 ter account is right, the people have nothing to
 do with their own government. They are placed
 by their Maker in the situation of cattle on an
 estate, which the owner may dispose of as he
 pleases. Civil Governors are a body of *masters*,
 constituted such by *inherent* rights ; and their
 power is a commission from Heaven, unbounded
 in its extent, and never to be resisted.

I have espoused, with some zeal, the first of these accounts; and in the following tracts, endeavoured to explain and defend it. And this is *all* I have done to give countenance to the charge I have mentioned.—Even the masterly writer who, after a croud of writers infinitely his inferiors, seems to have taken up this accusation against me, often expresses himself as if he had adopted the same idea of government (*a*). Such indeed is my opinion of his good sense, and such has been the zeal which he has discovered for the rights of mankind, that I think it scarcely possible his ideas and mine on this subject should be very different. His language, however, sometimes puzzles me; and, particularly, when he intimates that government is an institution of divine authority; (*b*) when he scouts all discussions of the nature of civil liberty, the foundation of civil rights, and the principles of a free government; and when he asserts the *competence* of our legislature to revive the *High-Commission Court* and *Star-Chamber*, and its *BOUNDLESS*

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(*a*) “ To follow, not to force the public inclination; to give a direction, a form, a technical dress and a specific sanction to the general sense of the community, is the true end of legislature. When it goes beyond this, its authority will be precarious, let its rights be what they will.” Letter to the Sheriffs of Bristol, p. 49.

(*b*) Ibid. p. 55. Thoughts on the causes of the present discontents, p. 67. “ Government certainly, is an institution
“ of

AUTHORITY not only over the people of *Britain*, but over distant communities who have no voice in it.

But

“ of divine authority; though its *forms* and the *persons* who “ administer it, all originate from the people.” It is probable that Mr. *Burke* means only that government is a divine institution, in the same sense in which any other expedient of human prudence for gaining protection against injury, may be called a Divine institution. All that we owe *immediately* to our own foresight and industry, must *ultimately* be ascribed to God the giver of all our powers, and the cause of all causes. It is in this sense that St. Paul in Rom. xiii. 1, 2. calls civil magistracy the *ordinance of God*, and says that *there is no power but of God*. If any one wants to be convinced of this, he should read the excellent bishop HOADLY’s Sermon entitled *The Measures of Submission to the civil Magistrate*, and the defences of it.

It is further probable, that when Mr. *Burke* asserts the *omnipotence* of Parliaments, or their *competence* to establish any oppressions, (Letter, p. 46, 49) he means mere *power* abstracted from *right*, or the same sort of *power* and *competence* that trustees have to betray their trust, or that armed ruffians have to rob and murder. Nor should I doubt whether this is his meaning, were it not for the passage I have quoted from him in the last page, the latter part of which seems to imply, that a legislature may contradict its *end*, and yet retain its *rights*.—Some of the justest remarks on this subject may be found in the Earl of ABINGDON’s thoughts on Mr. *Burke*’s letter, a pamphlet which (on account of the excellent public principles it maintains, and the spirit of liberty it breathes, as well as the rank of the writer) must give particular pleasure to every friend to the true interests of this country.

But whatever may be Mr. BURKE's sentiments on this subject, he cannot possibly think of the

In p. 46, Mr. *Burke* says, that "if there is one man in the world more zealous than another for the supremacy of parliament and the rights of this imperial crown, it is himself; though many may be more knowing in the extent and the foundation of these rights." He adds, that "he has constantly declined such disquisitions, not being qualified for the chair of a professor in metaphysics, and not chusing to put the solid interests of the kingdom on speculative grounds."——*The less knowledge, the more zeal*, is a maxim which experience has dreadfully verified in religion. But he that, in the present case, should apply this maxim to Mr. *Burke*, would, whatever he may say of himself, greatly injure him. Though he chuses to decry enquiries into the nature of liberty, there are, I am persuaded, few in the world whose zeal for it is more united to extensive knowledge and an exalted understanding.—He calls it, p. 55. "the vital spring and energy of a state, and a blessing of the first order." He cannot, therefore, think that too much pains may be taken to UNDERSTAND it. He must know, that nothing but usurpation and error can suffer by enquiry and discussion.

Mr. WILKES, in an excellent speech which he lately made in moving for the repeal of the declaratory law, observed, that this law was a *compromise* to which the great men, under whose administration it was passed, were forced in order to obtain the repeal of the *Stamp-act*. I think so highly of that administration and of the service it did the public, that I have little doubt of the truth of this observation. But, at the same time, I cannot help wishing Mr. *Burke* had given no reason for doubt by defending the *principle* of that act; a *principle* which, unquestionably, he and his friends would never have acted upon; but which others have since acted upon, with a violence which has brought us to the brink of ruin.

former

former account of government that "it is a speculation which destroys all authority."—Both accounts establish an authority. The difference is, that one derives it from the *people*, and makes it a *limited* authority; and the other derives it from *Heaven*; and makes it *unlimited*.—I have repeatedly declared my admiration of such a constitution of government as our own would be, were the House of Commons a fair representation of the kingdom, and under no undue influence.—The sum of all I have meant to maintain is, "that LEGITIMATE GOVERNMENT, as
 "opposed to OPPRESSION and TYRANNY, con-
 "sists in the dominion of equal laws made with
 "common consent, or of men over *themselves*;
 "and not in the dominion of communities over
 "communities, or of any men over other men." Introduction to the second Tract, p. 9.—How then can it be pretended, that I have aimed at destroying all authority? Does our own constitution destroy all authority? Is the authority of equal laws made with common consent no authority? Must there be no government in a state that governs itself? Or, must an institution, contrived by the united counsels of the members of a community, for restraining licentiousness and gaining security against injury and violence, encourage licentiousness, and give to every one a power to commit what outrages he pleases.

The Archbishop of York, (in a sermon preached before the society for propagating the gospel in foreign parts, Feb. 21, 1777,) has taken notice of some loose opinions, as he calls them, which have been lately current on civil liberty; some who mean delinquency having given accounts of it "by which every man's humour is made to be the rule of his obedience, all the bad passions are let loose, and those dear interests abandoned to outrage for the protection of which we trust in law," 4to edit. p. 15 and 16. It is not difficult to guess at one of the delinquents intended in these words. In opposition to the horrid sentiments of liberty which they describe, but which in reality no man in his senses ever entertained, the Archbishop defines it to be simply, the supremacy of law, or GOVERNMENT by LAW, without adding to *law*, as I had done, the words *equal and made with common consent*; (a) and without opposing a GOVERNMENT by LAW to a GOVERNMENT BY MEN, as others had done.—Ac-

(a) In p. 19. he calls liberty "a freedom from all restraints except such as established law imposes for THE GOOD OF THE COMMUNITY." But this addition can make no difference of any consequence, as long as it is not specified *where* the power is lodged of judging what laws are for the good of the community. In countries where the *laws* are the *edicts* of absolute princes, the end professed is always the good of the Community.

cording

ording to him, therefore, the supremacy of law must be liberty, whatever the law is, or whoever makes it.—In despotic countries government by law is the same with government by the will of one man, which HOOKER has called *the misery of all men*; but, according to this definition, it is liberty.—In ENGLAND *formerly*, the law consigned to the flames all who denied certain established points of faith. Even *now*, it subjects to fines, imprisonment and banishment all teachers of religion who have not subscribed the doctrinal articles of the church of England; and the good Archbishop, not thinking the law in this case sufficiently rigorous, has proposed putting Protestant Dissenters under the same restraints with the Papists. (a) And should this be done,

(a) “The laws against Papists have been extremely severe. New dangers may arise; and if at any time ANOTHER DENOMINATION of men should be equally dangerous to our civil interests, it would be justifiable to lay them under similar restraints.” Page 17.—In another part of this sermon the great men in opposition (some of the first in the kingdom in respect of rank, ability, and virtue) are described as a body of men void of principle, who, without regarding the relation in which they stand to the community, have entered into a league for advancing their private interest, and “who are held together by the same bond that keeps together the lowest and wickedest combinations,”—Was there ever such a censure delivered from a pulpit? What wonder

done, if done by *law*, it will be the establishment of *liberty*.

The truth is, that a government by law is or is not liberty, just as the laws are just or unjust; and as the body of the people *do* or *do not* participate in the power of making them. The learned Prelate seems to have thought otherwise, and therefore has given a definition of liberty, which might as well have been given of slavery.

At the conclusion of his sermon, the Archbishop adds words which he calls comfortable,

is it that the Dissenters should come in for a share in his Grace's abuse?—Their political principles, he says, are growing dangerous.—On what does he ground this insinuation? He is mistaken if he imagines that they are all such delinquents as the author of the following tracts, or that they think universally as he does of the war with America. On this subject they are, like other bodies of men in the kingdom, of different opinions.—But I will tell him in what they agree.—They agree in detesting the doctrines of passive obedience and non-resistance. They are all WHIGS, enemies to arbitrary power; and firmly attached to those principles of civil and religious liberty which produced the GLORIOUS REVOLUTION and the HANOVERIAN SUCCESSION.—Such principles are the nation's best defence; and Protestant Dissenters have hitherto reckoned it their glory to be distinguished by zeal for them, and an adherence to them. ONCE these principles were *approved* by men in power. No good can be expected, if they are now reckoned dangerous.

addressed

addressed to those who had been *patient in tribulation* (a), and intimating that they might *rejoice in hope*, “ a ray of brightness then appearing “ after a prospect which had been long dark.” And in an account which follows the sermon, from one of the missionaries in the province of New-York, it is said, that, “ the rebellion would “ undoubtedly be crushed, and that THEN will “ be the time for taking steps for the increase of “ the church in America, by granting it an episcopate.” In conformity to the sentiments of

(a) That is, the missionaries of the society in America.— The charter of the society declares the end of its incorporation to be “ propagating the gospel in foreign parts, “ and making provision for the worship of God in those “ plantations which wanted the administration of God’s “ word and sacraments, and were abandoned to atheism “ and infidelity.” The chief business, on the contrary, of the society has been to provide for the support of *episcopalianism* in the northern colonies, and particularly New-ENGLAND, where the sacraments are more regularly administered, and the people less abandoned to infidelity than perhaps in any country under heaven. The missionaries employed and paid by the society for this purpose, have generally been clergymen of the highest principles in church and state. *America*, having been for some time very hostile to men of such principles, most of them have been obliged to take refuge in this country; and here they have, I am afraid, been too successful in propagating their own resentments, in misleading our rulers, and widening the breach which has produced the present war.

this missionary, the Archbishop also expresses his hope, that the opportunity which such an event will give, for establishing episcopacy among the colonists, will not be lost; and advises, that measures should be thought of for that purpose, and for thereby rescuing the church from the persecution it has long suffered in *America*.

This is a subject so important, and it has been so much misrepresented, that I cannot help going out of my way to give a brief account of it.

It does not appear that the lay members themselves of the church in *America* have ever wished for Bishops. On the contrary, the assembly of *Virginia* (the first episcopal colony) some years ago returned thanks to two clergymen in that colony, who had protested against a resolution of the other clergy to petition for Bishops. The church *here* cannot have a right to *impose* Bishops on the church in another country; and therefore, while churchmen in *America* are averse to Bishops, it must be persecution to send Bishops among them. The *Presbyterians*, and other religious sects there, are willing, from a sense of the reasonableness of toleration, to admit Bishops whenever the body of episcopalian laity shall desire them, provided security is given that they shall be officers merely spiritual, possessed of no other powers than those which are necessary to the full exercise of that mode

mode of religious worship. It is not Bishops, as *spiritual* officers, they have opposed; but Bishops on a state-establishment; Bishops with *civil* powers; Bishops at the head of ecclesiastical courts, maintained by taxing other sects, and possessed of a PRE-EMINENCE which would be incompatible with the equality which has long subsisted among all religious sects in *America*. In this last respect, the colonies have hitherto enjoyed a happiness which is unparalleled, but which the introduction of such Bishops as would be sent from hence would destroy. In *Pensilvania* (one of the happiest countries under heaven before we carried into it desolation and carnage) all sects of christians have been always perfectly on a level, the legislature taking no part with any one sect against others, but protecting all equally as far as they are peaceable. The state of the colonies north of *Pensilvania* is much the same; and, in the province of *Massachusetts-Bay* in particular, civil authority interposes no farther in religion than by imposing a tax for supporting public worship, leaving to all the power of applying the tax to the support of that mode of public worship which they like best. This tax the episcopalians were, at one time, obliged to pay in common with others; but so far did the province carry its indulgence to them, that an act was passed on purpose to excuse them.

them.—With this let the state of Protestant Dissenters in this country be compared. Not only are they obliged to pay tithes for the support of the established church, but their worship is not even tolerated, unless their ministers will subscribe the articles of the church. In consequence of having long scrupled this subscription, they have lost all legal right to protection, and are exposed to the cruellest penalties. Uneasy in such a situation, they not long ago applied twice to parliament for the repeal of the penal laws against them. Bills for that purpose were brought into the *House of Commons*, and passed that House. But, in the House of Lords, they were rejected in consequence of the opposition of the Bishops.—There are few I reverence so much as some on the sacred bench; but such conduct (and may I not add the alacrity with which most of them support the present measures?) must leave an indelible stain upon them, and will probably exclude them for ever from *America*.

On this occasion, I cannot help thinking with concern of the learned Prelate's feelings. After a prospect long dark, he had discovered a ray of brightness shewing him *America* reduced, and the church triumphant: But lately, that ray of brightness has vanished, and defeat has taken place of victory and conquest.—And what do we now see?—What a different prospect, mortifying

to the learned Prelate, presents itself?—A great people likely to be formed, in spite of all our efforts, into free communities, under governments which have (a) no religious tests and esta-

(a) I am sorry to mention one exception to the fact here intimated. The new constitution for *Pennsylvania* (in other respects wise and liberal) is dishonoured by a religious test. It requires an acknowledgment of the divine inspiration of the Old and New Testament, as a condition of being admitted to a seat in the House of Representatives; directing however, at the same time, that no other religious test shall *for ever* hereafter be required of any civil officer.—This has been, probably, an accommodation to the prejudices of some of the narrower sects in the province, to which the more liberal part have for the present thought fit to yield; and, therefore, it may be expected that it will not be of long continuance.

Religious tests and subscriptions in general, and all establishments of particular systems of faith, with civil emoluments annexed, do inconceivable mischief, by turning religion into a trade, by engendering strife and persecution, by forming hypocrites, by obstructing the progress of truth, and fettering and perverting the human mind; nor will the world ever grow much *wiser*, or *better*, or *happier*, till, by the abolition of them, truth can gain fair play, and reason free scope for exertion. The Archbishop, page 11, speaks of christianity as “insufficient to rely on its own energies; and” “of the assistances which it is the business of civil authority “to provide for gospel truths.”—A worse slander was never thrown on gospel truths. Christianity disdains such assistances as the corrupted governments of this world are capable of giving it. Politicians and statesmen know little of it. Their *enmity* has sometimes done it good; but their *friendship*, by supporting superstitions and idolatries carrying its name, has been almost fatal to it.

blishments!—A new æra in future annals, and a new opening in human affairs beginning, among the descendants of *Englishmen*, in a new world;—A rising empire, extended over an immense continent, without BISHOPS,—without NOBLES,—and without KINGS.

*O the depth of the riches of the wisdom of God !
How unsearchable are his judgments !*

But to proceed to another subject.

In the second of the following tracts, page 48. I have observed, that in former times it was the custom of parliament to pass bills for appointing commissioners to take, state, and examine the public accounts. I have lately had it in my power to inform myself more particularly on this subject; and I shall here beg leave to give a brief recital of some of the principal facts relating to it.

The first bill for the purpose I have mentioned was passed in the times of the commonwealth, and in the year 1653. It was called an “act for accounts, and for clearing of public debts, and discovering frauds and concealments.” Seven commissioners were named in it, and the necessary powers given them. In 1667, another act was passed for the same purpose; after which I find no account of any such acts till the beginning of the reign of King William.

William. At this time complaints of mismanagement and embezzlements in the disposition of public money were become so prevalent, that the *House of Commons* thought it necessary to enter into measures for effectually preventing them, by obliging all revenue officers to make up their accounts, and bringing defaulters to justice.

With these views, six of the acts I have mentioned were passed between the years 1690 and 1701. Another act was passed in the first of *Queen Anne*; and three more in her four last years. In *King William's* reign they were always passed by the *House of Commons* without a division. In *Queen Anne's* reign, not one passed without a division. In 1717, a motion for such an act was *rejected* without a division; and since 1717, only one motion (a) has been made for such a bill, and it was rejected by a majority of 136 to 66.

The preamble to those acts declares the reason of them to be, that "the kingdom may be
"satisfied and truly informed, whether all the
"monies granted by parliament have been faithfully issued and applied to the end for which
"they had been given; and that all loyal subjects
"may be thereby encouraged more chearfully to
"bear the burthens laid upon them." The number of commissioners named in them was generally nine or seven, all members of the *House*

(a) In 1742, after the resignation of Sir *Robert Walpole*.

of *Commons*. It was particularly ordered, that they should take an account of all the revenues brought into the receipt of the Exchequer, and all arrears thereof; of all monies in the hands of the receivers general of the land-tax, customs and excise; of all the public stores, provisions, &c. as well for land as sea service; of all ships of war, and the sums of money provided or paid for the use of the forces by sea and land, and the number of them respectively; and of any bribes or corruptions in any persons concerned in the receiving or disposing of the national treasure. And, for these purposes, they were empowered to call before them, and to examine upon oath the officers of the exchequer, the secretary at war, paymaster of the forces, commissioners of the navy and ordnance, and all persons whatever employed as commissioners, or otherwise, in or about the *Treasury*.

The reports, which the commissioners thus appointed delivered from time to time to parliament, contain accounts of a waste of public money, arising from the rapacity of contractors, and many scandalous abuses and frauds in every part of the public service, which must shock every person not grown callous to all the feelings of honesty and honour. In consequence of these reports, the *House of Commons* addressed the throne, and remonstrated; several great men were

were accused, and brought to shame; some were dismissed from their places, and ordered to be prosecuted; some expelled, and some committed to the Tower. Thus did our representatives in those times discharge their duty as guardians of the public property; and it is, in my opinion, only by such means that they are capable of doing this properly and effectually. It must, however, be acknowledged, that these commissions of enquiry did not produce all the good effects which might have been expected from them. The influence of the crown, and the interest in parliament of many great men entrusted with the disposition of public money, rendered the proper execution of them extremely difficult. This led some even of the *Tories*, at the time of the great change of ministers in 1710, to propose, that the receiving and issuing of the public money should be taken from the crown; and, in defence of this proposal, it was urged, that the issuing of public money, being in some of the most despotic countries left in the hands of the people, it was by no means a necessary part of the royal prerogative. This would indeed have provided a complete remedy; and it might have perpetuated the constitution. But, even in these times, it was a reformation too great and too impracticable to engage much attention.

Ever since those times the public accounts have been growing more complicated; and the temptations to profusion and embezzlement have been increasing with increasing luxury and dissipation. How astonishing then is it that every idea of such *commissions* should be now lost; and that, at a time when the nation is labouring under expences almost too heavy to be borne, the passing of accounts by the *House of Commons* is become little more than a matter of form; our representatives scarcely thinking it worth their while to *attend* on such occasions, and MILLIONS of the public treasure being sometimes given away, in a few hours, just as proposed by the *Treasury*, without debate or enquiry.

I must not forget to mention particularly on this subject, that the commissioners named in the acts I have described, were always declared incapable of holding any place or office of profit under the crown; and directed to take an account “of all “pensions, salaries, and sums of money paid “or payable to members of parliament out of “the revenue or otherwise.”—Not long before this time, the *House of Commons* would not suffer even the *Attorney-general* (a) to sit and vote in the

(a) Sir FRANCIS BACON was the *second* ATTORNEY-GENERAL who sat in the *House of Commons*; but, to prevent its being drawn into a precedent, the House would not admit him, till they had made an order, that no Attorney-General

the house because he was the king's servant; and in 1678, a member, as Mr. *Trenchard* says, was committed to the Tower, for only saying in the house that the king might keep guards for his defence, if he could pay them.—Such *once* was the House of Commons—So jealous of the power of the crown, and so chaste.—Since the reign of Queen *Anne* and the passing of the *Septennial Act*, a great CHANGE has taken place. (a)

A CHANGE

General should for the future be allowed to sit and vote in that House.—In conformity to this order, whenever afterwards a member was appointed Attorney-General, his place was vacated, and a new writ issued. This continued to be the practice till the year 1670, when Sir HENEAGE FINCH, (afterwards EARL OF NOTTINGHAM) being appointed Attorney-General, he was allowed by connivance to preserve his seat, which connivance has been continued ever since.—I give these facts not from any enquiry or knowledge of my own, but from the authority of a friend, who is perhaps better informed than any person in the kingdom on every subject of this kind.

(a) The following facts will shew, in some degree, how this change has been brought about.—For ten years ending Aug. 1, 1717 (a period comprehending in it a general war abroad; and the demise of the crown, the establishment of a new family, and an open rebellion at home) the money expended in secret services amounted only to 279,444l.—For TEN YEARS ending Feb. 11, 1742, it amounted to no less a sum than 1,384,600; of which 30,077 l. was paid to printers of News-papers and writers for government; and a greater sum expended, in the last *six weeks* of these ten years, than had been spent in *three years* before Aug. 1710.—See

A CHANGE which is little less than the total ruin of the constitution; and which may end in a tyranny the most oppressive and insupportable. It is, therefore, the greatest evil, which could have happened to us; and the men, by whose abominable

the Report of the COMMITTEE appointed March 23, 1742, to enquire into the conduct of ROBERT EARL OF OREORD, printed in the Journals of the House of Commons, vol. 24, p. 295, 296, 300.—One passage, in this report, contains remarks so much to my present purpose and so important, that I cannot help copying it.——“ There are no laws particularly
 “ adapted to the case of a minister who clandestinely employs the money of the public, and the whole power and
 “ profitable employments that attend the collecting and disposing of it, *against* the people: And, by this profusion,
 “ and criminal distribution of offices, in some measure justifies the expence that particular persons are obliged to be
 “ at, by making it necessary to the preservation of all that
 “ is valuable to a free nation. For in that case, the contest
 “ is plain and visible. It is, whether the Commons shall
 “ retain the *third* state in their own hands; while this
 “ whole dispute is carried on at the expence of the people,
 “ and, on the side of the minister, out of the money granted
 “ to support and secure the constitutional independence of
 “ the three branches of the legislature.—This method of
 “ corruption is as sure, and, therefore, as criminal a way of
 “ subverting the constitution as by an armed force. It is a
 “ crime, productive of a total destruction of the very being
 “ of this government; and is so *high* and *unnatural*, that nothing but the powers of parliament can reach it; and, as
 “ it never can meet with parliamentary animadversion but
 “ when it is unsuccessful, it must seek for its *security* in the
 “ extent

able policy it has been accomplished, ought to be followed with the everlasting execrations of every friend to public virtue and liberty.

I now withdraw to the situation of an anxious spectator of public events; but before I do this, I must leave with the public, at this threatening period, the following sentiments.

Not long ago, the colonies might have been kept, without bloodshed or trouble, by repealing the *acts* which have made us the aggressors in the present war; but *now* it would be great folly to expect this.—At the same time I think it certain, that they may be rendered more useful to us by a pacification on liberal terms, which shall bind them to us as FRIENDS, than by any victories or slaughters (were they possible) which can force them to submit to us as SUBJECTS.—I think it also certain, that should the offer of such terms be delayed till they have formed an alliance with *France*, this country is *UNDONE*.—

Such an alliance, we may hope, is not yet settled.—Our rulers, therefore, may *possibly*

“ extent and efficacy of the mischief it produces.” P. 395

The obstructions which this committee met with in their enquiry proved that the crime they here describe in such emphatical language, had *even then* obtained that very security, in the extent of the mischief it produced, which, they observe, it was under a necessity of seeking.

have

have still a moment for pausing and retreating; and every dictate of prudence and feeling of humanity requires them to be speedy and earnest in improving it.—But what am I saying? I know this must not be expected. Too full of ideas of our own dignity; too proud to retract; and too tenacious of dominion, we seem determined to persist: And the consequence must be, that the colonies will become the allies of *France*; that a general war will be kindled; and, perhaps, this once happy country be made, in just retribution, the seat of that desolation and misery which it has produced in other countries.

vd January 19, 1778.

SINCE the publication of the preceding Introduction, the event referred to at the end of it has been announced to the public. A memorial from the *French* court has been delivered to our court, declaring, that the former has concluded a treaty of commerce and friendship with the colonies as INDEPENDENT STATES; and acquainting us that, IN CONCERT WITH THEM, the King of France is determined and prepared to defend his commerce against any interruption we may give it.—A new turn, therefore, is now given to our affairs of a nature the most critical and alarming. Would to God there were any concessions

ACCOUNT of the CUSTOMS for the LAST SIX YEARS.

IN the following tracts I have reckoned, among the destructive consequences of the war with *America*, the loss of a considerable part of our trade. In consequence of several accidental causes, particularly the demand created by the war, this effect has not yet been so much felt as was generally expected. The truth, however, is, that the war has operated in this way to a degree that is alarming, as will appear from the following account of the CUSTOMS for the last six years.

	Gross Receipt.	Debentures.	Net Receipt.	Payments into the Exchequer.
1772—	5.134,503	2.214,508	2.441,038	2.525,515
1773—	5.159,800	2.463,767	2.221,460	2.431,071
1774—	5.068,000	2.132,600	2.455,500	2.547,717
1775—	5.146,900	1.904,900	2.709,340	2.476,302
1776—	3.726,970	1.544,300	1.633,380	2.460,402
1777—	3.293,200	932,860	1.846,390	2.199,105

It should be observed, that though, in 1776, there had been no importation of *tobacco*, yet the duties on *tobacco* brought into the *Exchequer* as much as ever, these duties having been paid for old stock taken out of the warehouses for *home consumption*, instead of *exportation*. This is one of the causes which kept up the payments into the *Exchequer* in 1776, notwithstanding a sudden fall of near a MILLION AND A HALF in the gross receipt, and a MILLION in the net receipt.

—In the last year, or 1777, the duties on *tobacco* fell very short; and this contributed to diminish the payments into the *Exchequer* near a *quarter of a million*. But what seems of more

importance

importance is, that the debentures (or duties returned at exportation) which had fallen in 1775 and 1776 above a *fourth*, continued to fall in 1777; and did not then amount to more than *two-fifths* of the usual sum.

I have examined the customs from the Revolution to the present time; but cannot find that any thing like such a fall in them has ever happened before.

FIRST ADVERTISEMENT.

THE present state of the public funds makes it necessary for me to acquaint the reader, that when the *Supplement* to the following Tracts was written, the 3 *per cent.* annuities were at the price which the calculations in it suppose, or nearly at 78. They have since fallen to 72, and once even below 69, which is a lower price than they were ever at during the whole last war, except just at the pinch of the loan of twelve millions in 1762.—The difference of price also between them and the new 4 *per cents.* is fallen, (for no reason that I can discover) from 14 to about 10½.—I find, likewise, that in consequence of a distressing scarcity of money, the subscribers to the last loan of *five millions* have not yet been able to complete their payments.—These facts afford a dark prospect; and make it doubtful whether, if things don't mend, it will be possible, by any schemes, to procure the money necessary to bear the expence of another campaign.—Should it happen, for these reasons, that what I have written on loans can be of no use; or, though capable of being of use, should it be neglected; I shall still reflect with satisfaction, that I have now given what I wished to offer on this subject with more correctness; and proved, beyond a doubt, that a great part of the National Debt is an *artificial* debt, for which no money has been received, and which might have been easily avoided.

Jan. 19, 1778.

SECOND

SECOND ADVERTISEMENT.

SINCE the foregoing Advertisement in January last, the price of the 3 *per cent.* annuities has fallen from 72 to 60½. But the difference of price between them and the 4 *per cent.* annuities created in 1777, has risen to near 18l. agreeably to the true comparative value of these annuities, as computed in page 14 of the Supplement.—It is necessary I should farther mention, that there has been a new loan of six millions for the service of the present year; but that, contrary to my hopes, the managers of our finances have returned to the old modes of borrowing—The consolidated 3 *per cent.* annuities being, when the loan was settled on the 6th of February, at 66½; one hundred 3 *per cent.* *stock* estimated at this price, was given for every 100l. in *money*, with FOUR-FIFTHS of the profits of a lottery ticket reckoned at 2½l. and an ANNUITY of 2½l. for 30 years, reckoned worth 14 years purchase (or 135 l.) but really worth above 15 years purchase. This made a profit of 4l. on every 100l. advanced. But the 3 *per cent.* annuities falling immediately to 64, and in a few days to 60½; and the short annuity also happening to sell for no more than 13 years purchase, this loan has been constantly at a discount, which has fluctuated between 2 and 4½ *per cent.*

The scheme of this loan is the first of the old schemes described in the following Supplement, page 2d; and it is apparent that by including the value of the *douceurs* in the capital, it brings on the public an artificial debt, for which nothing will be received, of above two millions.—The sum to be lent, should it be ever paid, might have been as well obtained, without making any material addition to the annual charge, by selling separately the two *douceurs* worth 2,244,000l. and offering for the remaining sum necessary to make up six millions, an interest of five *per cent.* subject to the regulations proposed in the Second Tract, page 98, or in the Supplement, page 24.

April 24, 1778.

THE following accounts have been laid before the House of Commons since January last.

Account of the Gold Coin brought into the Mint from Great Britain and Ireland by the Proclamations in 1773, 1774, and 1776.

	£.	s.	d.	
First Proclamation brought in	3.806,435	7	2	deficient more than 6 grains in a guinea.
2d Proclamation brought in	4.876,171	18	3	deficient between 3 and 6 grains.
3d Proclamation brought in	6.880,986	5	3	deficient between 1 and 3 grains.

Total 15.563,593 10 8

Compare Second Tract from page 56 to 64.

Account of the Expence of calling in and recoinng all the Gold Coin deficient more than a grain in a guinea.

	£.	s.	d.
Expence to the BANK for melting	16,786	14	6
Deficiency in melting	—	317,314	6 11
Interest of money advanced to the holders of gold coin	—	231,982	17 7
To master of the Mint for the charge of recoinng and other charges	— — — —	115,459	12 9
To several persons who were appointed in the several counties to take in and exchange the gold coin, and for other charges and expences	— — —	72,476	8 0

Total 754,019 19 9

Towards

Towards defraying this expence there have been applied the following sums:

	£.	s.	d.
Out of the supplies in 1774	250,000	0	0
in 1775	69,671	8	3
in 1776	92,421	14	11½
Out of the million vote of credit in — 1776	30,000	0	0
Out of the million vote of credit in — 1777	206,699	8	3½
Provided for in — 1778	105,227	8	3
	754,019	19	9

These accounts shew, that in the note, p. 63 of the Second Tract, the words *16 millions and a half* should have been *15 millions and a half*; and that in p. 69, 2d line, *650,000l.* should have been *754,019l. 19s. 9d.*

N. B. The loss attending the deficiency in the coin brought in by the first proclamation amounted nearly to 300,000l. but having been thrown on the holders of the coin, it could not be brought to account.

S U P P L E M E N T

T O

SECTION III. PART II.

*Containing additional Observations on Schemes
for raising Money by Public Loans.*

IT is impossible, that any attentive person can reflect without concern, on that monstrous accumulation of artificial debt for which no value has been received, which has been pointed out in different parts of the preceding Tract; and, particularly in the third Section of the second Part. This being a subject which, in the present state of our finances, is highly interesting; I have been induced to return to it in this place; and to offer some further observations and proposals which have occurred to me in re-considering it, and which I think necessary to explain and confirm those which have been already offered.

There are two methods in which money is capable of being borrowed for public services. The first is, by offering such *high* interest as may of itself be sufficient to induce lenders to advance the sums that are wanted: And the second is, by offering

fering a *low* interest, with a *gratuity* or *douceur* to produce the acceptance of it.—The last has been the method in which our government has most commonly borrowed money; and the gratuity offered has been either a right to a greater capital than the sum advanced, or a *long* or *short* or *life* annuity, or the profits of a lottery, or some advantages of trade.—The first, without doubt, is the most rational method of borrowing; and the latter is so absurd and extravagant as to be incapable of being adopted in the common transactions of life.—In order to give a just and full idea of this, I shall instance in the last loan; specifying the manner in which it *would* have been made if the usual method of borrowing had been followed; and comparing this with the manner in which it *was* made; and the manner in which, I think, it *might* have been made to the greatest advantage.

FIVE MILLIONS, it is well known, were borrowed last year; and, had the old plan of borrowing been adopted, this sum would have been borrowed by some such scheme as one of the *two* following.

First. Interest in the public funds being then near 4 *per cent. per ann.* an interest of only 3 *per cent.* would have been offered; or, in other words, for every 100*l.* in *money*, 100*l.* *stock* carrying 3 *per cent.* (worth then 78*l.*) would have been given; but at the same time, as a *premium* or *compensation* for accepting such low interest, a life-annuity, or
a short

a short annuity would have been offered worth somewhat more than the difference between 100l. and 78l. or about 24l. The whole premium, therefore, in raising *five millions*, would have been equal in value to about 1,200,000l. and, supposing it to have been either a life-annuity, or a short annuity for 17 years of 2l. worth 12 years purchase, annexed to every 100l. stock, the whole annual charge incurred by the loan would have been 250,000l. for a term of years, and 150,000l. for ever till the capital is redeemed.

It is manifest that the capital including in it according to this account almost the whole *premium*, the public makes itself, by this mode of borrowing, a *debtor* for the very thing it *gives*; and, besides paying the annuity, obliges itself to advance at redemption the whole value of it.—It is proper to add, that this is done *unnecessarily*, because 1,200,000 might have been procured by selling the annuity, and the remaining 3,800,000l. necessary to make up five millions, might have been procured, as will be shewn presently, without any *douceur* by giving higher interest.

But there is another method of borrowing which has been practised by government on former occasions, and which might have been adopted in the last loan.

For every 100l. advanced a new capital in the 3 *per cent.* funds worth that sum would have been

'fold, including a funded 10l. lottery ticket. This new capital would have been nearly 127l. three *per cent.* stock for every 100l. in *money*, or 6.343,954l. stock for FIVE MILLIONS in money; of which stock 5.718,954l. would have been sold, to encourage subscriptions, at 2 *per cent.* below the market price, that is, at 76l. $\frac{1}{2}$; and the remaining stock, having a lottery annexed, would have been sold at *par*. A fictitious or artificial capital, therefore, would have been created, or a debt incurred more than the value received, of 1,343,954l. besides relinquishing about 150,000l. which might have been obtained by the profits of the lottery.

I have been seldom more surprized than at the preference of this scheme, which, at the time of settling the last loan, was expressed by some very respectable members of the House of Commons; nor can this preference be easily accounted for on any other supposition than that they consider the public debts as incumbrances, never to be removed, and, therefore, think it of no consequence with what difficulties the redemption of them is loaded by an increase of capitals bearing low interest. It must be acknowledged indeed that this method of borrowing would have been attended with a small present advantage; for the interest of 6.343,954l. at 3 *per cent.* is 190,318l. and this, together with the interest of 150,000l.

or 6000*l. per ann.* lost by giving up the profits of a lottery, would have been the whole present annual charge it would have brought on the public. But if this be a sufficient reason for preferring such a scheme, it would perhaps be best to create capitals bearing 2 *per cent.* or even 1 *per cent.* interest; for probably such capitals would bear a better price, in proportion to the rates of interest, than any 3 *per cent.* capitals, and consequently, a greater present saving might be made by selling them. No other objection can be made to this than that by lowering interest, and laying the public under an obligation to return *double* or *triple* every sum it receives; the redemption of the public debts might be rendered so expensive and difficult as to be entirely impracticable. But this would be of no consequence if indeed their redemption is already become impracticable; and if, therefore, every new charge they bring on the public is to be considered as laid on for eternity.

With these schemes let us now compare the scheme actually adopted for the last loan.

Instead of a 3 *per cent.* capital, a new capital bearing 4 *per cent.* interest, irredeemable for ten years, was offered at 95*l.* for every 100*l. stock*, with two *douzeurs* to raise the value of the stock above 100*l.* in money; namely, a short annuity

of a *HALF per cent.* for ten years, (reckoned worth 4l. 2s.) and the profit (reckoned at 3l.) of one ticket in a money lottery consisting of 50,000 tickets.

The chief difference between this scheme and the first I have described is, that the new stock created is a *FOUR per cent.* instead of a *THREE per cent.* stock. But this is a difference of particular importance, and brings it near to such plans of borrowing as appear to me the best.—In the *first* scheme, the artificial capital is 1.200,000l. In the *second*, 1.343,954l. In this *third* scheme it is only 250,000l. This scheme, therefore, has evidently great merit; and perhaps, in the present state of the public debts, it does not admit of any great improvement. There is, however, an easy alteration which, I think, would have been an improvement, and which I shall take the liberty to mention.

According to a preceding observation, the two *douceurs* being included in the capital, are granted, and must be paid twice over. This is so absurd and extravagant that it ought to be avoided as far as possible; and it might have been avoided, in a great measure, by offering for every 100l. advanced 95l. stock, carrying 4 and a quarter interest irredeemable for ten years, with the same
short

short annuity and a lottery ticket annexed (a). In this case, the new capital would have been 4.750,000*l.* carrying (at $4\frac{1}{2}$ *per cent.*) 201,875*l.* *per ann.* interest. There would, therefore, have been a saving of 250,000*l.* in the capital; and the annual charge would have been nearly the same.

It must be observed that this scheme supposes that a stock bearing $4\frac{1}{4}$ *per cent.* interest would have been valued nearly at *par*; and, according to the principles on which the scheme was calculated, it could not have been valued at much less; or, supposing it valued at 1 or 2 *per cent.* less, the difference might have been made up by only adding two or three years to the duration of the short annuity and the term of irredeemableness.—Had a stock been offered bearing $4\frac{1}{2}$ *per cent.* interest irredeemable for ten years, one *half* at least of the short annuity might have been saved. The annual charge for ten years would have been somewhat less; (b) and the excess afterwards would have been

(a) Or, for every 105*l.* contributed, 100*l.* stock irredeemable for 10 years might have been given, carrying $4\frac{1}{2}$ *per cent.* interest, with the same short annuity and a lottery ticket annexed; and then the new capital would have been 4.762,000*l.* carrying (at $4\frac{1}{2}$ *per cent.*) 202,385*l.* *per ann.* interest. The amount of the short annuity would have been 23,810*l.* and the number of lottery tickets 47,620*l.*

(b) 211,375*l.* the interest at $4\frac{1}{2}$ of 4.750,000*l.* and 12,500*l.* a short annuity of a QUARTER *per cent.* annexed to every 100*l.*

been much more than compensated by the advantages at redemption attending a higher interest and a smaller capital.

But, perhaps, such a scheme as the following would have been preferable to any of those now proposed.

For every 100*l.* in *money* 75*l.* stock irredeemable for 10 years and carrying $4\frac{1}{4}$ *per cent.* interest, might have been offered, together with an annuity for 27 years of $1\frac{1}{2}$ *per cent.* (valued cheap at 16 years purchase, or 24*l.*) and the advantage of a lottery ticket. This scheme would have been as likely to be attended with a profit as that which was adopted. The new capital would have been only 3,750,000*l.* bearing 159,375*l.* interest. The short annuity would have been 75,000*l.* and the whole annual charge (supposing no redemptions of the capital to take place after ten years) 234,375*l.* for 27 years, and afterwards 159,375*l.* It appears, therefore, that 1,250,000*l.* or a *quarter* of the capital that was actually created, would have been saved; and also a rent charge on the public after 27 years of 40,750*l.* *per ann.* for ever.—The additional expence to balance these advantages would have been 9,650*l.* *per ann.* for ten years, and 34,375*l.* *per ann.* for 17 years. In other contributed, make 223,875*l.* This last sum, therefore, would have been the annual charge for 10 years; and the first sum the annual charge after ten years till redemption.

words;

words; the public would have absolutely secured the redemption of a *quarter* of the loan, (or of 1.250,000*l.*) besides an easier redemption of the remainder, at the expence of 680,875*l.* in the whole, (a) to be paid annually in small sums during the course of 27 years.

All that has been now said has gone on the supposition that, agreeably to the calculations on which the last loan was formed, 100*l.* stock irredeemable for ten years and bearing 4 *per cent.* interest, would sell at 17*l.* more than 100*l.* stock bearing 3 *per cent.* interest; (or at 95*l.* when the latter stock is at 78*l.*) and also, that a short annuity for ten years would sell at $8\frac{2}{10}$ years purchase.— But events have shewn that these valuations were too high. The new subscription (including 100*l.* four *per cent.* stock, a half *per cent.* short annuity, and the profit of a lottery ticket) should have sold, according to these valuations, at about 102½. But it never bore so high a price; and in a little time it fell to *par*, and at last to 3 *per cent.* discount.— Various reasons have been assigned for this; but the true reasons were the following.

First. A general fall of near 2 *per cent.* which took place in the stocks soon after the loan was settled.

(a) Ten payments of 9,650*l.* and seventeen payments of 34,375*l.* make 680,875*l.*

Secondly,

Secondly. A lower valuation of the new 4 *per cent.* stock and the short annuity which took place in the ALLEY.—This was the principal reason; and it will be proper particularly to explain it. In doing this, it will be necessary to look back a little to the history of the public funds.

In 1717 the public debts were reduced from an interest of 6 *per cent.* to 5 *per cent.* and in 1727, from 5 *per cent.* to 4 *per cent.* In 1737 a bill was brought into the HOUSE OF COMMONS by Sir John Barnard, for a farther reduction from 4 to 3 *per cent.* At this time the 3 *per cents.* were above *par*; and even, during the three first years of the war which began in 1740, they continued so high that government was able to raise the necessary supplies by borrowing at 3 *per cent.*—In such circumstances, it was impossible the public creditors should avoid expecting a *third* reduction; and this expectation would necessarily sink the value of the FOUR PER CENTS. by leading the public to consider them as no more than a THREE *per cent.* stock having a short annuity of ONE *per cent.* annexed. Accordingly, *before* the war the difference of price between the THREE and the FOUR *per cent.* stocks was about 10 or 11 *per cent.* After the commencement of the war, a reduction becoming more doubtful and more distant, this difference became greater, and generally kept between

tween 14 and 17 *per cent.* At the approach of the PEACE in 1748. it sunk to 11 *per cent.* and soon after the PEACE, the 3 *per cents.* having risen considerably above *par*, (a) and an universal expectation of a speedy reduction taking place, it sunk to 6 *per cent.*——It is evident, therefore, that the price of the FOUR *per cents.* has been governed by the expectation of their reduction, (b) and that, had there been no such expectation, their price, compared with the 3 *per cents.* would have been much higher. It will appear presently to be most probable, that had it not been for this expectation, the prices of these stocks would not have differed much from the proportion of the rates of interest.

In taking this account, I have only compared the THREE *per cents.* with the SOUTH-SEA FOUR *per*

(a) It may be worth observing, that during this whole war they never fell below 82, except for a few months during the rebellion in 1745; that after the PEACE in 1748 they rose to 105, and in the succeeding war never fell so low as they are now, except in the two last years; that after the PEACE in 1763 it was expected they would again rise above *par*; but that, instead of this, they have in general during the whole peace kept 12 or 13 *per cent.* below *par*, and 15 or 16 *per cent.* below the price they bore before the two last wars.——One of the reasons of the great alteration which has taken place since the last war is, I think, pointed out in the 3d Section of the 3d Part of this Tract.

(b) Since the reduction in 1749 there has been no FOUR *per cent.* capital created except that of the last year.

cent.

cent. capitals before their reduction in 1749, at which time they amounted to above 27 millions, and were (as the consolidated three *per cent.* annuities are now) the grand staple stock of the kingdom. In 1746 and 1747, two new FOUR *per cent.* capitals were created redeemable at any time, and transferrable at the BANK. The price of these new capitals kept for some time after their creation, considerably below the price of the old SOUTH-SEA four *per cents.* the reasons of which were, I suppose, the general reasons which make new funds bear a lower price than old ones; and, particularly, their having less traffic in them, and being small and detached parcels likely to be first selected for the operations of finance.

Were the cause now assigned, or the expectation of a reduction of interest, the only cause that governed the comparative prices of 3 *per cent.* and 4 *per cent.* capitals, the excess of one above the other would never be more than the supposed value of a short annuity of 1l. till *reduction.* — But there is another cause which may operate in this instance, and which ought not to be overlooked; I mean, the expectation of a greater payment at *redemption.* The effect of the former is to *diminish*, and of the latter to *increase* the value of FOUR *per cent.* capitals. — In order to understand this it must be remembered, that when the 3 *per cents.* are at any

considerable discount, it becomes practicable to redeem them under *par*, while debts bearing 4 *per cent.* interest must be redeemed at *par*. This will make a difference in favour of the latter, which will be greater or less in proportion to the greater or less discount at which the *three per cents.* are sold, the greater or less quantity of stock bearing 4 *per cent.* interest, and the greater or less probability that the whole or a considerable part of it will be soon redeemed (*a*)—Let us suppose, for instance, that all the public debts bearing 4 *per cent.*

(*a*) What is here said has been verified, in the particular instance of a *million and a half* borrowed in 1756, which was to carry $3\frac{1}{2}$ *per cent.* interest till 1771, and then to become redeemable.—During the last war, and for about three years after the commencement of peace, there was a general expectation that the *THREE per cents.* would rise above *par* as they had done in the former peace; and while this expectation continued, this stock was reckoned no better than a *THREE per cent.* stock with a short annuity of a *half per cent.* annexed; and for this reason it bore, during that period, a lower price than another stock of 4 millions and a half which was to bear the same interest till 1782, and then to become redeemable, and to sink to an interest of 3 *per cent.*—In the latter end of 1767 and beginning of 1768 the price of the former stock rose above that of the latter, and continued not far from *par* from that time to the time of its redemption in 1771. The reason must have been, that being a small stock bearing a higher interest than the other stocks, it was expected, that it would be paid off at *par*, and therefore with a considerable profit, as soon as it became redeemable; which accordingly happened. See Postscript, page 177.

interest,

interest, consist of a single capital of FIVE MILLIONS redeemable at any time; and that all the rest of the public debts are THREE *per cent.* capitals sold at a discount of 12 *per cent.* or at 88 l. for every 100 l. stock. In these circumstances, there would be a certainty that the small stock bearing 4 *per cent.* interest would be selected for redemption as soon as possible; and, as a stock carrying such high interest could not be expected, when the 3 *per cents.* are at 88, to be redeemed under *par*, its real value would on this account exceed that of the THREE *per cents.* more or less in proportion as its redemption was more or less distant. And its *whole* excess of value in these circumstances is to be computed in the following manner.—It would consist of a 3 *per cent.* capital, for every 100 l. of which 100 l. in money is to be received; and of an additional annuity of 1 *per cent.* till redemption. Its excess of value, therefore, if the whole capital was to be redeemed immediately, would be the same with the discount of the 3 *per cents.* or 12 *per cent.* If the capital was not to be redeemed till the end of 7 years, its excess of value would consist of 12 *per cent.* payable seven years hence, and the present worth of an annuity of 1 *per cent.* for the intermediate term of seven years. 12 l. payable at the end of 7 years is worth in present money (allowing compound interest at 4 *per cent.*) 9 l. 2 s. 6 d. An annuity of 1 l. for seven years is worth

worth (reckoning the same interest) 6l. The whole excess of value, therefore, will be 15l. 2s. 6d. for every 100l. stock. If the redemption of the capital is to be delayed 15 years, the excess of value computed in the same manner will be 17l. 15s. 6d.—if 20 years, 19l. 1s.—if 30 years, 21l.

If the 3 *per cents.* had been supposed at a greater discount, it is evident, that these several values would have been likewise greater; and had the quantity of 4 *per cent.* stock been supposed *double* or *triple*, the effect would have been the same with a delay of redemption; and had it been supposed thirty or forty millions, the effect (in consequence of our slow progress in redeeming our debts) would not have fallen very short of an eternal delay of redemption.

Before 1749, the amount of the public debts carrying 4 *per cent.* interest was near 58 millions. The expectation, therefore, of the advantage now explained could not *then* have any effect; and the only cause which could have influenced, in any considerable degree, the comparative prices of these stocks must have been the first I have assigned, or the expectation of their *reduction*; that is, in other words, the expectation of a *sudden redemption* of them, as soon as the 3 *per cents.* got above *par*, by borrowing money at that interest. Had not this been foreseen, or had there been an act of parliament rendering it impracticable,

ble, there is no reason to doubt but the price of the *FOUR per cents.* compared with the *THREE per cents.* would have approached nearly to the proportion of the rates of interest, agreeably to what is said in page 11.

The state of the public funds has been much changed since the two last wars; but it is an alteration that has increased the comparative value of *4 per cent.* capitals.

I have already observed, that during the last war there was reason to expect, that, as soon as peace came, the *THREE per cents.* would rise above *par.* No one can now entertain any such expectation. On the contrary; it is most probable, that they will never again rise to that which has been their average price during the last peace from 1763 to 1775, and which, I think, may be stated at 87 or 88.—My reason for this assertion is,

First, that after the present war, should we be so happy as to escape the ruin with which it threatens us, our taxes and expences will be so much increased, and at the same time our resources so much diminished, as necessarily to leave the credit and value of our public securities lower than ever.

Secondly. Though our credit and resources should continue undiminished, yet the great addition which the present war will make to the public debts, is alone likely to sink their value; because

because every increase of a saleable commodity has always a tendency to lower its price.—It follows from hence, that the purchasers of *four per cent.* capitals have now a prospect of an advantage of 12 or 14 *per cent.* at redemption, which they could not have had before the last peace.

In connexion with this it must be considered, that it is now highly probable, that it will never be again practicable to reduce the interest of any *4 per cent.* capitals. In order to such a reduction, government must be able to offer to the proprietors of these capitals their *principal*, should they not chuse to take lower interest, and consequently to borrow at an interest of $3\frac{1}{2}$ or $3\frac{3}{4}$ *per cent.* But no sums will be lent on such lower interest, unless it can be depended upon that capitals bearing that interest, when brought to market, will bear a premium of 1 or 2 *per cent.*; and this, when the *three per cents.* are not higher than 87 or 88, would require the excess of value of such capitals to be estimated at 14 or 15 *per cent.* whereas it has been lately found, that even *four per cent.* capitals irredeemable for ten years, will not bear such an excess of value.—A *reduction*, therefore, of the interest of *four per cent.* capitals, or a *redemption* of them by borrowed money, cannot now be reckoned upon; and the only cause that can REASONABLY sink their value compared with the *three per cents.* below the ratio of the rates of interest, is

the probability of a redemption of them by the surplus of the national revenue. I need not say how little is to be expected from hence. Supposing, however, that much may be expected, I have shewn what effect it ought to have; and from the observations I have made, and particularly the computation in page 14, &c. it appears, I think, that the price of the capital of five millions four *per cent.* annuities lately created ought to have been near 18 *per cent.* more than the price of the THREE *per cents.* This appears to be true on the supposition that this capital will be redeemed in fifteen years; (that is, in five years after the expiration of the term for which it is made irredeemable) that the 3 *per cents.* will rise to as high a price as they bore during the last peace; and that purchasers are allowed to make FOUR *per cent.* compound interest of their money.—Were we to suppose this capital discharged even in two years after it becomes redeemable, the value, made out in the same way, would be nearly 17l.

He who will consider all this, and also recollect the general price of the 4 *per cents.* before their reduction in 1749, (see page 10) must be convinced that the TREASURY, at the time the last loan was settled, had good reason for taking the price of the new four *per cent.* capitals 17 *per cent.* higher than the price of the three *per cents.*—It has, however, been found that this was too high a valuation. Instead of being sold at 17l. more for

every 100l. stock than the 3 *per cents.* they have been sold at only 13l. or 14l. more; and this has been the chief reason of the discount to which the last subscription fell.—It is hard to say, by what principles the money'd men who traffic in the funds have governed themselves in this instance; but certain it is, that they have not been guided by any of the rules of just calculation: And the same must be said of the value at which they have reckoned the short annuity of a half *per cent.* for ten years annexed to the new 4 *per cents.* In forming the scheme for the last loan this annuity was, I have said, estimated at $8\frac{1}{8}$ years purchase, agreeably to its real value, supposing the payments yearly, the first payment to be made at the distance of a year, and money improved at 4 *per cent.* compound interest. But it has in general been sold at about $7\frac{1}{2}$ years purchase; which is *less* than its value, supposing money improved at $5\frac{1}{2}$ *per cent.* compound interest. (a)

(a) Nothing has been more undervalued in the ALLEY than *Annuities on lives.* They have been always granted, very unreasonably, without any limitation of age; and their value has been taken at no more than 12 or 13 years purchase; tho' really worth one with another 16 or 17 years purchase. This is a strong reason for preferring short annuities to them in all schemes for raising money. Short annuities for 21 years will be taken for as much as life-annuities; and yet experience has proved that in this time not a *quarter* of the life-annuities will drop; and the whole expence brought by them on the public will not be removed in less than 70 or 80 years. See Note 15, Page 134. Second Tract.

From this account it appears, that could the caprice of the public have been foreseen, the price of the new four *per cents.* should not have been reckoned at more than 91l.; (the 3 *per cents.* being at 78l.) and that, consequently, to make up a value which would have produced 102l. for every 100l. advanced, either the term of irredeemableness and of the short annuity should have been lengthened; or, supposing this term the same, the short annuity should have been more than doubled. An artificial capital, indeed, of near half a million would in this case have been created. But this disadvantage might have been avoided, without bringing any additional expence on the public, by such alterations as I have before proposed; and by increasing in the corrected schemes, page 6, &c. either the term of irredeemableness, or the short annuity, or the rate of interest, or all of them together.

The preceding account will, I fancy, help to shew what is practicable, *taking things as they are*, in borrowing money for public uses. It proves, that the nation loses greatly by the low price of all capitals bearing a higher interest than 3 *per cent.* and that could their value be raised, it would be greatly benefited.—For example. Could the new four *per cents.* have been taken at 99l. for every 100l. stock, instead of 95l. the whole expence

pence of the short annuity in the scheme of the last loan, and of a *quarter per cent.* perpetual interest, in the corrected schemes, page 6, &c. might have been saved. But had the value of the 4 *per cents.* been raised in proportion to the rate of interest, or *nearly* in that proportion, a farther saving might have been made, in all the schemes, of the profits of the lottery, and, consequently, of 6000*l.* *per annum* in the annual charge.—My next enquiry, therefore, shall be, in what manner and by what regulations this may be done. I have written in the section on loans, on the supposition that such regulations are practicable; and I have proposed one of them; but I will here be more explicit.

It has been shewn, that before 1749 the cause which depressed the value of the 4 *per cents.* was the expectation of their being reduced; and that *now* this cause is the expectation of their being soon *redeemed*. Remove, therefore, these causes in any degree, and their value must rise in the same degree.—With respect to the first, it is in my opinion certain that it would be doing great service to the public to exclude it entirely. Our reductions of interest have proceeded from a policy too narrow; and the nation is likely to

suffer by them much more than it has gained. (a) The savings they produce, being expended on current services, tempt to extravagance; give a fallacious appearance of opulence; and, by making our debts sit lighter, render us less anxious about redeeming them, and less apprehensive of danger from the increase of them. At the same time they render their redemption a work of more difficulty, and oblige government, when under a necessity of contracting new debts, either to give extravagant interest, or to offer extravagant premiums. That accumulation of artificial debts which I have pointed out has been owing principally to this cause; and had it not been, in particular, for the reduction in 1749, the public debts would now have been near 14 millions less; and a debt of above a hundred millions, instead of consisting of capitals bearing interest at 3 *per cent.* would have consisted of capitals bearing some of them $3\frac{1}{2}$, some 4, and some $4\frac{1}{2}$ and 5 *per cent.* interest, which (supposing them all at a medium to bear 4 *per cent.*) a million *per ann.* would have redeemed in six years less

(a) I would except here the first reduction in 1717. This was then necessary to gain a fund for sinking the public debts; and had the fund thus gained been applied, as the laws required, invariably to this purpose, and all farther reductions been avoided, we should now have been burthened with no debts,

time,

time, and at twenty-one millions less expence.— In short; reducing of interest is one of those unhappy TEMPORARY EXPEDIENTS to which statesmen are apt to betake themselves; and by which *present* relief is gained at the expence of *future* safety, and distress postponed by rendering it in the end more unavoidable and dreadful.—There cannot, therefore, be any sufficient reason against making the interest of the new capitals which may be created by any future loans, IRREDUCIBLE. (a) Should this raise the price of capitals bearing high interest in proportion to the increase of interest, government would be enabled to borrow with equal advantage whatever interest it offered; the new loans would not bring any greater annual charge on the nation than would have been necessary had the same sums been obtained by selling 3 per cent. capitals; and, at the same time, all the immense expence of *douceurs* and *fictitious capitals* would be saved, and all the advantages in redeeming the public debts obtained, arising from smaller capitals bearing higher interest.

Such a regulation as that now proposed would be alone sufficient for these purposes, when the amount of the debts bearing high interest and declared irreducible, is considerable, as appears

(a) That is; never capable of being redeemed by substituting one debt for another; or of being saved from redemption by accepting lower interest.

from what is said in page 13. But when a debt happens to bear a higher interest than any other, and is at the same time small, the probability of a *quick redemption* will operate in the same manner on its price with the expectation of a *reduction*; and in this case, therefore, it will become necessary, in order to avoid the inconveniences I have described, to POSTPONE REDEMPTION; and one of the best methods of doing this will be, by ordering, that such a debt shall be redeemed *after* some other given part of the funded public debts.—So slow has been our progress in redeeming debts, that this (supposing the part to be first redeemed considerable) would be reckoned, in the present circumstances of the funds, the same with making the debt to be last redeemed, irredeemable for ever. And should such an apprehension prove right, the public would lose nothing, because the debt whose redemption was postponed, would bring no greater annual charge on the public, than if the same sum had been obtained by selling a capital bearing any lower interest. But should it prove false, or should our debts be ever put into a fixed course of redemption, the public would gain greatly by being able, after discharging one part of its debts, to discharge the remainder more expeditiously and easily.

I shall beg leave to illustrate what has been now said by having recourse again to the last loan of

FIVE MILLIONS.—During the last 60 years, or from the first establishment of the sinking fund to the year 1777, no more than about FIFTEEN MILLIONS of the public funded debts have been paid. An order, therefore, that the capital of five millions bearing 4 *per cent.* created by the last loan, should not be discharged unless a capital of twenty-five or thirty millions in the three *per cents.* shall have been *first* discharged, would have carried its redemption to so distant a period, as might probably have raised it to the same comparative value with any 3 *per cent.* capitals.

Let it, however, be supposed to advance its price only to 102l. when the 3 *per cents.* are at 78; that is, when the ratio of the rates of interest required the price to be at 104. In these circumstances, 4.850,000l. of the five millions would have been advanced for an equal capital carrying 194,000l. interest at 4 *per cent.*; and the remaining 150,000l. would have been advanced for the lottery: And thus the whole expence of the short annuity, and 150,000l. capital, would have been saved.—And had the same sum been obtained by selling a 3 *per cent.* capital, the amount of interest, though the least possible, would not have been much less; (a)

(a) Supposing the 3 *per cents.* sold at $76\frac{1}{2}$, the capital necessary to produce 4.850,000l. in money would be 6.339,869l. the interest of which at 3 *per cent.* is 190,195l.

but,

but, at redemption, there would have been a necessity of paying above a MILLION AND A QUARTER for which no value had been received. — When such advantages, uncompensated by any loss, can be obtained by so easy and simple a regulation as only changing the ORDER of paying the public debts, (a) what possible reason can there be against adopting it?

There is another method by which the value of any stocks bearing high interest might be raised, which would probably be no less effectual; I mean, by ordering that no part of such stocks shall be redeemed, without at the same time redeeming an *equal*, or any *larger* sum, in other capitals. This is the regulation proposed in the section on public loans, page 98; and it will not be amiss here to give an illustration of it, by supposing, that EIGHT MILLIONS will be wanted for the necessary supplies of this year; and that this sum will be procured by selling, as was done in the last loan, a capital equal to the sum advanced, bearing 4 *per cent.* interest. Were the

(a) When the amount of interest, payable for a sum obtained by selling a 4 *per cent.* capital, is the same with the amount of interest, payable for an equal sum obtained by selling a 3 *per cent.* capital, which is nearly the present case, postponing, in the manner I have proposed, the redemption of the former, becomes as indifferent as it would be to postpone in the same manner the redemption of any 3 *per cents.*

interest

interest in this case made irreducible, and the capital incapable of being redeemed without at the same time redeeming four times as much of the 3 *per ct.* or some other stocks, an increase of value would be communicated to it which would render all *Douceurs* unnecessary. For it would be a capital, the redemption of which could not be completed without discharging in all FORTY (a) MILLIONS of the public debts.—I cannot doubt but that, in these circumstances (supposing the price of the 3 *per cents.* to continue near 78) a 100l. in money would be given for 100l. in such a stock, and the whole extravagant expence of short annuities, lotteries, and artificial capitals would be saved.

(a) In this case only a FIFTH of the *surplus* to be at any time employed in redeeming debts could be applied to the redemption of this *particular* loan. The rest, after nine years, might be employed in redeeming the 4 *per cent.* stock created last year; or, jointly with it, such parts of future loans bearing high interest, as, in borrowing on the same plan, might be left redeemable. And thus no obligation would arise from this mode of borrowing to prefer the redemption of 3 *per cents.* to the redemption of capitals bearing higher interest. In particular; had this been the plan of borrowing through the last war, all surplus monies might have been ever since employed intirely in paying off 4, 4½ and 5 *per cent.* capitals preferably to any others; and at the same time, no *douceurs* would have been granted in order to procure the loans, no artificial debt contracted, or extraordinary charge incurred.

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In short. With the aid of such regulations as those now proposed, EIGHT MILLIONS might this year be borrowed (supposing the 3 *per cents.* not lower than 78 or 77) *probably* at an interest of 4 *per cent.*, but *certainly* at an interest an EIGHTH or a QUARTER higher, without offering any *premiums*. Whereas, if no such regulations are established, either an artificial debt of near (a) *two millions and a half* must be created; or 5 *per cent.* for 15 or 20 years certain, together with the profits of a lottery, must be given; and a new tax laid which will produce 400,000 l. *per ann.*

It may deserve to be added, that an unprosperous state of public affairs, and apprehensions of public danger, would have a tendency, by placing the redemption of our debts at a greater distance, to promote, rather than obstruct the success of schemes attended with such regulations.

There remains one proposal more on this subject which I wish may be attended to.

(a) Should this be disregarded, and a long annuity offered, as a *douceur*, of $1\frac{1}{2}$ *per cent.* for 90 or 100 years, *eight millions* might perhaps be borrowed at an interest, including the long annuity, of $4\frac{1}{2}$ *per cent.* even though the 3 *per cents.* should fall as low as 73.—And this, probably, would be the very scheme a minister would prefer, who, minding chiefly present ease, did not care how much he burdened the nation hereafter.

I have

I have observed, that our reductions of interest have been the effect of too narrow a policy. It seems to me, that one of the best measures that could now be adopted, would be to undo what we have done in this instance, by restoring the 3 *per cent.* capitals to a higher interest, and making this restoration, one of the means of raising the necessary supplies. That this is practicable, and that it would be advantageous, will appear from the following scheme, and observations.

For 20 l. in money, let 110 l. stock bearing 3½ *per cent.* interest, be offered, in exchange for every 100 l. of the 3 *per cent.* stocks; and let the new 3½ *per cent.* stock be capable of being redeemed at any time, but never under *par*, unless when the price of the 3 *per cents.* happens to be below 85 l.—By this scheme the public would procure 20 l. from the conversion of every 100 l. 3 *per cent.* stock into 110 l. stock carrying 3½ *per cent.*; or FIVE MILLIONS from the conversion of TWENTY-FIVE MILLIONS. The new *additional* capital would be only TWO MILLIONS AND A HALF, (or 10 *per cent.* of the old capital); and the *additional* interest would be 17 s. (that is, a half *per cent.* added to 7 s. the interest of 10 l. at 3½ *per cent.*) for every 20 l. advanced; or 4¼ *per cent.* for the whole loan.

That such a scheme would afford ample encouragement to subscriptions, supposing the 3 *per*
cents.

cents at or near 78, will appear from considering, that the interest offered is above a *quarter per cent* more than could be made by purchasing any perpetual annuities, and at the same time, in consequence of forming a part of the interest of a THREE AND A HALF *per cent.* capital, is incapable of reduction, and therefore nearly on an equal footing with the interest of any 3 *per cent.* capital.—But to be a little more explicit.

The new capital of 110 l. bearing $3\frac{1}{2}$ *per cent.* interest would be better than the 100 l. THREE *per cent.* capitals for which it would be substituted, in the following respects.—1st. It would carry 17s. *per ann.* more interest; and such an interest, when the price of an annuity of 3 l. is 78 l., ought to be worth 22 l. 2 s. The additional interest, therefore, would be disposed of at 2 l. 2 s. for every sum of 22 l. 2 s. (or at $9\frac{1}{4}$ *per cent.*) less than its true value, compared with the price of the 3 *per cent.* annuities.

Secondly. The 3 *per cents.* when *peace* comes, will probably be capable of being redeemed at 88 l. (a) But this stock, in the same circumstances, must be redeemed at *par.* It will, therefore, produce 12 l. more in every 100 l. at redemption. Add the 10 l. additional stock; and the whole additional sum to be received at redemption

(a) In 1774, a million of the 3 *per cents.* was redeemed at this price; and in 1772, a million and a half at 90.

will

will be 22 l. — There will, therefore, be a profit at redemption of 10 l. *per cent.* of the money advanced; and this profit deserves the more notice, because the stock to which it is annexed, being redeemable at any time, and bearing a higher interest than the 3 *per cents.* will be selected for redemption before them; and therefore its price will be so much the more likely always to keep near *par.* — Setting aside, however, this advantage, and supposing only the 20 l. advanced likely to be received at redemption, it may be found by calculating in the manner explained in p. 14, &c. that the substitution of 110 l. stock carrying THREE AND A HALF *per cent.* for 100 l. carrying THREE *per cent.*, or, in other words, that 20 l. to be received some time hereafter, besides an annuity of 17 s. for the intermediate time, is worth in present money more than 20 l., reckoning compound interest at 4 *per cent.*

Such a scheme, therefore, in whatever way its value was rightly calculated, would appear to offer an advantageous bargain. Should there, however, be reason to fear that the public might judge otherwise; or should the 3 *per cents.* be at 74 or 75, the value might be easily increased near nine *per cent.* by making the substituted stock 112 l. instead of 110 l. in which case, the interest for the 20 l. advanced would become

18 s. 5d. *per ann.*, or a little more than four and a half *per cent.* instead of *four and a quarter.*

The advantages to the public which would arise from such a scheme are——1st. That it would be one of the best preparations for measures that must some time or other be entered into for putting the public debts into a *fixed* course of redemption. (a)——In consequence of being raised to a higher interest, a considerable part of them would be made capable of being redeemed with more ease and expedition; and for this reason, it is certain that, if there remains a possibility of our escaping

(a) I mean such a course of redemption as should not be liable to interruption by a war; or, as would be the effect of the establishment of such an unalienable *sinking* fund as has been described in the *Appeal to the Public on the Subject of the National Debt*, and the *Observations on reversionary Payments.*——Nothing can save us from bankruptcy but such a fund; and were it established, the 3 *per cents.*, when they came to be redeemed, would soon rise to *par*; and, consequently, the obligation implied in this scheme to pay a part of them at *par* would occasion no additional expence. It is, however, so little to be expected, that such a fund will be ever established, that it would have been folly to have made the calculation given above, on any supposition less favourable, than that the 3 *per cents.* will bear the same price after the present war, that they bore after the last; and that we shall go on as we have hitherto done, paying off a *million*, or a *million and a half*, now and then in a time of peace.

ing a public bankruptcy, the time must come when we shall wish all our debts bore a high interest. (*b*)

Secondly. A capital of TWO MILLIONS AND A HALF would be saved in raising FIVE MILLIONS. That is; the nation in procuring *five millions* would incur a debt of only *half* that sum; and instead of having a QUARTER OR A THIRD *more* to pay at redemption than had been received, it would have ONE HALF *less* to pay.

Thirdly. Such a scheme would keep up public credit; and, by its necessary operation, contribute to carry *itself* into execution. For the advantages attending it being grounded entirely upon the old 3 *per cent.* stocks, few at such a time would chuse to sell them, but many would be induced to buy; and, consequently, their price would be advanced, contrary to the common effect of public loans.—These seem to me advantages so un-

(*b*) The conversion of a 3 *per cent.* stock into a $3\frac{1}{2}$ *per cent.* stock gives the same advantage in redeeming it, that the power of redeeming it at $85\frac{3}{4}$ for every 100l. would give.—A million *per ann.* surplus would redeem 114 millions and a quarter of the latter stock in the same time, and therefore at the same expence, that it would redeem 100 millions of the former. I suppose here the 3 *per cents.* paid at *par*; and this, I have before observed, will be found to be necessary should a time (scarcely the object of hope) ever come when government will set itself in earnest and with any effect to pay the public debts.

speakably important, that I cannot but think it would be right to go to some extraordinary expence, in making at least one experiment of this kind. If, in consequence of offering high terms in *one* trial for a small sum, such an experiment should succeed, it might be renewed on lower terms; and the way might be discovered of managing, in the best manner, larger loans on the same plan.—I cannot help thinking indeed, that it would be found that in this way great sums might be raised without creating *any* new capitals, or making any addition to the public debts. I fancy, for instance, that few, when the *3 per cents.* are about 78, would scruple to pay 25*l.* for the conversion of 100*l.* *THREE per cent.* stock into a 100*l.* *FOUR per cent.* stock, provided this last stock was not to become redeemable till THIRTY OR FORTY MILLIONS of our present debts have been discharged: And supposing this true, money for public services would be raised at *4 per cent.* or at an interest nearly as low as possible; and, at the same time, a sum equal to the whole money advanced would be saved. But were it necessary to take for such a substitution 24*l.* or even 23*l.* (that is, to pay about $4\frac{1}{4}$ *per cent.* for money) the gain, if our debts are ever to be redeemed, would abundantly overbalance the increased expence of interest,

CORRECTIONS and ADDITIONS.

IN THE SECOND TRACT, page 120, after the words *Lent at 4 per cent. in 1746, charged on licences for retailing spirituous liquors, and reduced to 3 per cent. by 23d of George II. 1749, add, and consisting of old Exchequer Bills then cancelled and converted into a debt from Government to the Bank, for which the Bank was allowed to add to its capital an equal sum by 19th George II. Ch. 6.*

In page 128, instead of the words, *In 1751, certain Exchequer tallies and orders, amounting to 129,750l. read, In 1751, the remainder of certain Exchequer tallies and orders charged on the duties on wrought plate, and amounting to 129,750l.*

Page 136, line 17, instead of 1758 read 1757.

Page 137, line 2d from the bottom, for 205,000l. read 215,000l.

Page 139, for 17.7401,32l. read 17.701,324l.

Page 144, after *Exchequer Bills charged on a duty upon victuallers by 12th Geo. I. 1726, add, and afterwards by 16th Geo. II. 1743, charged on the duties on licences for retailing spirituous liquors. Now included in the Bank Capital by 19th Geo. II. Ch. 6.*

Page 144, Note (b) after the words, *In this account I have omitted a million borrowed in 1734, add, and half a million borrowed in 1736; because these debts had for some time been in a fixed course of redemption by the salt-duties.*

In page 145, line 2d, for 10.639,793l. read 10.739,793l.—Ibid. line 10th, for 146.582, 844l. read 146.682,844l.—Ib. line 12th, for 15.635, 793l. read 15.739,793l.—Ibid. note, line 2c, for 1.118,000l. read 1.218,000l.

P. 147. For 146.582,844l. read 146.682,844l.—For 71.505,580l. read 71.605,580l.—And for 10.639,793l. read 10.739,793.

F I N I S.